

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

April 12, 2006

Paul Lamoreaux Alpine Gems & Minerals 195 North 200 East Parowan, Utah 84761

Subject: Fee Required for Notice of Intention to Commence Small Mining, Alpine Gems &

Minerals, East Side #1 Mine, S/053/078, Washington County, Utah

Dear Mr. Lamoreaux:

On April 10, 2006, we received your Notice to Commence Small Mining Operations for your East Side #1 Mine. In performing a cursory review of the notice, we have assigned a file number S/053/078 for this Small Mining Operation (SMO).

We have a Memorandum of Agreement with the Utah State Historical Preservation Office (SHPO), wherein we have to notify them of any proposed activity in the state. SHPO then reviews the proposal to see if there are any archaeological or historical concerns in the area. We will forward a copy of your notice to them to begin their review process.

Before we can continue with the review of your SMO notice, we require payment of the permit fee. Small mines and/or exploration projects require an initial permit fee of \$150.00, which is due annually thereafter on the Division's fiscal year (July 1-June 30) until the project is completed and you have received written release from this Division and any other land managing agency involved with the project.

Please submit the \$150.00 fee within the next 10 days or by April 21, 2006, before we continue our review of this notice. A billing statement is attached for this purpose. Failure to provide the fee within the specified timeframe will result in the Division denying your application, which will then be returned to you. Please be advised that no mining or exploration activity is authorized until you have received written acceptance from this office as well as from the BLM.

If you have any questions regarding this letter, please contact me at (801) 538-5291 or Doug Jensen at 538-5382.

Sincerely,

Penny Berry

Minerals Secretary

Attachment: Billing Statement

cc: Doug Jensen

P:\GROUPS\MINERALS\WP\M053-Washington\S0530078-EastSide1\FinaNfee-initial-needed-S053078EorS.doc